



November 2002  
Volume 5, Issue 7

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# Connections

## SBA Activity Sets Indiana District Record for Sixth Straight Year

For the sixth consecutive fiscal year, the U.S. Small Business Administration's (SBA) Indiana District Office posted a record figure in the number of 7(a) approvals in the General Business Loan Guaranty Program, the agency's major small business financing vehicle. Funding 698 7(a) loans during FY 2002, the gross amount exceeded \$156,000,000. The fiscal year covers the period October 1<sup>st</sup> through September 30<sup>th</sup>.

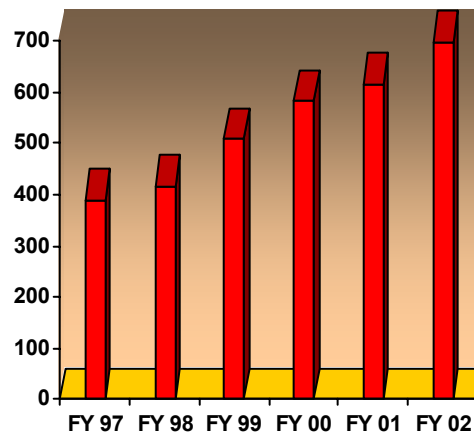
The 7(a) loan program guarantees loans to small businesses that cannot obtain financing on reasonable terms through other channels. Loan proceeds may be used for business start-ups, expansion, equipment purchases, working capital, inventory, or real-estate acquisition. Generally, the SBA can guarantee up to \$1,000,000 of a private-sector loan; as much as 85 percent on loans of \$150,000 or less and 75 percent on loans of more than \$150,000. The interest rate may not exceed 2.75 percent over the prime lending rate except for loans under \$50,000, where the rates may be slightly higher. Maturities can extend 10 years for working capital and 25 years for fixed assets.

"The SBA's accomplishments this past year have again helped many of Indiana's entrepreneurs start or expand their small businesses," Jan Wolfe, Indiana District Director, said. "This latest record reflects the SBA's ongoing

commitment to Indiana's small business community. I would attribute the increase in 7(a) lending to the district office's aggressive outreach effort and the growing awareness of the high quality and benefits of the agency's services."

In addition to the 7(a) activity, the district office approved 117 loans worth \$40,789,000 under the Certified Development Company (CDC) loan program. The 504 Program provides long-term, fixed-asset financing through certified development companies. These nonprofit organizations are sponsored by private interests or by state and local governments. The SBA can guarantee debentures covering as much as 40 percent of a 504 project, up to \$1 million. The loan funds may be used to purchase machinery and equipment, to purchase and improve land, or to construct or remodel buildings.

**Indiana  
SBA 7(a) Activity  
Fiscal Years 1997-2002  
(by number of approvals)**



# SBAExchange Pilot Program Announced

The U.S. Small Business Administration (SBA) is proud to announce the launch of the SBAExchange Pilot Program -- an electronic purchasing tool designed to facilitate small business e-procurement opportunities, and to improve efficiency and accountability of current government procurement processes, and assist small businesses in their e-procurement efforts.

The SBAExchange is a streamlined electronic tool - developed under contract with, and managed by NEXGEN Solutions, Inc. -- that allows agencies to award simplified acquisitions up to \$100,000 (including micro-purchases) and to make purchases and payments electronically with the Government wide commercial purchase card. Agencies will be able to use SBAExchange to award purchases over \$25,000 that have been posted in Federal Business Opportunities (FedBizOpps), provided the notice states that the award will be made electronically. Additionally, SBAExchange helps small businesses compete for purchases that are currently being obtained through other contracting methods.

SBAExchange offers an opportunity for small businesses to obtain a turnkey e-commerce enabled storefront positioned for selling to anyone in the global marketplace. Through SBAExchange, small business subscribers are provided e-business tools and related services with an emphasis on selling their products and services to government buyers.

Agencies receive credit for purchases made from small businesses using their purchase cards and have access to detailed demographic reports on how, where, and with whom procurement dollars are being spent.

*What are the objectives of SBAExchange?*

- Reduce costs and improve efficiency and accountability of procuring goods and services by federal agencies from small businesses.
- Help small businesses participate in an e-procurement system that requires little or no technical expertise or equipment investment.

*What does small businesses and agencies receive from participation in SBAExchange?*

## Small businesses receive:

- A fully hosted, supplier branded, e-commerce website;
- Exposure to federal buying authorities, large federal prime contractors and other large buying officials;
- An electronic catalog;
- A centralized order management system for receiving and processing Internet-based orders from federal, state, local and commercial buying authorities;
- A management system for tracking new business, creating and submitting quotes and;
- Assistance in managing the new site.

## Agencies receive:

- Credit toward small business goals
- Access to socioeconomic data and demographic reports
- A tool for monitoring agency and individual staff small business goals and objectives
- Automated Federal Procurement Data System

Summary (FPDS)  
procurement statistics

- On-line order approval and status tracking
- Consistent navigational experience with each supplier site
- Visibility to all stores
- Product search capabilities
- Access to catalog item descriptions, pricing and graphics
- Single shopping cart and checkout process for multi-store procurements
- Multiple procurement methods - purchase order and purchase cards
- Access to past performance records
- Electronic creation and dissemination of solicitations
- Automated bid/quote tracking and comparison
- Order status tracking and management
- Credit card utilization and reporting

## What are the costs associated with participation in SBAExchange?

Federal agencies pay no fees to participate in SBAExchange. The annual cost for small businesses to participate is \$1,500. Additionally, a transaction fee of 2 percent will be added to all orders. The first 2,500 small businesses to register up will receive a \$450.00 discount.

For more information, please visit our website at [www.sbaexchange.gov](http://www.sbaexchange.gov).

# SBA Advocacy Update

By John McDowell

## Small Business E-Commerce Trends Accelerate

### *Smaller Niche Businesses Cover Web Site Costs With Revenues*

Small business continues to embrace Internet technology, and smaller niche businesses are covering their web site costs with increased revenues. These are just two of the trends in small business e-commerce cited in "E-Biz.com: Strategies for Small Business Success," released today by the Office of Advocacy of the U.S. Small Business Administration (SBA).

The report, authored by Joanne H. Pratt, documents current trends in small business e-commerce, and generates new statistics based on interviews conducted by the executive interviewing group of the Gallup Organization.

"The trend toward integration of the Internet into small business' daily operations continues," said Thomas M. Sullivan, Chief Counsel for Advocacy. "This report shows how pervasive e-commerce has become, and how important it is to small business," he continued.

The report outlines trends and strategies for success in e-commerce and details new findings. New findings include:

- Sixty-five percent of small, niche firms make a profit or cover the costs of their websites.
- Less than 10 percent of small businesses' online commerce is business-to-business.
- The smallest firms (fewer than 10 employees) benefit the

most from being online.

"Leading edge entrepreneurs are demonstrating that the Internet offers unparalleled opportunities for small business by developing imaginative ways to conduct e-business," said Joanne Pratt, author of the study. "As these trends accelerate so too will small business' role in the virtual economy," she said.

For more information and the complete report, visit the Office of Advocacy website at <http://www.sba.gov/advo>.

## The Central Indiana SBDC – A New Name – A New Beginning

The Central Indiana Small Business Development Center is officially re-opened, staffed and ready to support the thousands of small businesses throughout Marion and the eight surrounding counties. Absent from the local business scene for 20 months, the CISBDC (formerly known as the Indianapolis Small Business Development Center) re-joins the statewide network of 12 centers with a new name that better reflects its area of responsibility, and a strong commitment to providing advice and counseling, education, and resources to the small business owner.

The Central Indiana SBDC exists to have a positive impact on the small business economy in our region. It achieves this by providing FREE business consulting to the small business owner; providing training workshops and seminars (at a nominal cost) for the owner's continuing business education; and being a clearinghouse of resources and referrals of agencies, other not-for-profit organizations, and for-profit businesses that will help the small business owner continue the process for developing and growing their business. While the organization will focus on the more

than 40,000 existing small businesses in the Central Indiana Region, it will also support the true start-up business through the utilization of an outstanding website ([www.isbdc.org](http://www.isbdc.org)) that provides the outline and direction for organizing and writing a complete business plan, essential in creating a business and attracting financing.

The Central Indiana SBDC (headquartered at One North Capitol in downtown Indianapolis) is led by a new Director - Sandy Levine, and includes an Administrative Assistant and four Business Advisors geographically assigned to the nine county region so as to better respond and service clients' needs. All of the Advisors bring with them the experience of having owned a small business, and are well educated and qualified in the business plan developing process. Most



Sandy Levine

importantly, they are able and willing to listen to the small business owner and help them solve their problems. Local counseling sites are available in all eight surrounding counties, in addition to those in Marion County, a structure designed to provide the most convenient access to the advisors and services for the small business owner.

As Mr. Levine has said, "The new Central Indiana SBDC will be a highly credible, single source of business help for all small business owners. Through its own Advisors as well as cooperative, productive relationships with organizations such as SCORE, the SBA, the various Chambers of Commerce, government agencies, and our many local for-profit supporters, the CISBDC will fill the void often experienced by the small business entrepreneur".

The one call that will get the owner started - (317) 233-SBDC. The Central Indiana SBDC is ready.



# NATIONAL OMBUDSMAN WEB SITE LOGS A MILLION HITS FOR REGULATORY ENFORCEMENT ASSISTANCE

By Roger Hopkins

The U.S. Small Business Administration's Office of the National Ombudsman has recorded one million hits to its Web site offering assistance and information to small businesses with complaints about excessive regulatory enforcement.



Hector V. Barreto, Jr.  
SBA Administrator

"One of President Bush's top priorities is giving small business owners a voice in the complex and confusing federal regulatory process," said SBA

Administrator Hector V. Barreto. "It is extremely gratifying to know that the SBA, through National Ombudsman Michael Barrera and his office, has been able to reach so many small business people with this important service."

In the nine months that the Web site at [www.sba.gov/ombudsman](http://www.sba.gov/ombudsman) has been available it has become a valuable informational tool and an efficient and effective way to file complaints and concerns. The online complaint system can be accessed 24 hours a day whenever a small business owner finds time in his or her busy schedule.

A three-question preview page helps determine whether or not the ONO can help. After answering the questions a short, two-page confidential form pops up that can be mailed, faxed or electronically delivered to the office. Complaints and comments can also be

delivered by calling 1-888 REGFAIR or by writing the Office of the National Ombudsman, U.S. Small Business Administration, 409 3rd St. SW, MC2120, Washington, D.C. 20416-0005.

National Ombudsman Barrera acts as a neutral liaison between small businesses and federal regulatory agencies, bringing complaints and concerns about unfair regulatory enforcement actions to the attention of high level agency officials. Such actions may include repetitive audits or investigations, excessive and unfair fines or penalties, and threats of retaliation for complaints.

"Entrepreneurs cannot operate effectively in a regulatory enforcement environment of uncertainty and confusion," said Barrera. "Such an environment makes entrepreneurs spend more time sorting through complex material and less time with their customers."

Small business owners can also voice complaints and concerns to Barrera and his staff at Regulatory Fairness Board hearings conducted across the country. They are typically attended by representatives of federal regulatory agencies who sometimes can resolve problems on the spot.



Michael Barrera  
National Ombudsman

## SBA Disaster Loans Top \$2.1 Million for Indiana Individuals and Businesses

Low-interest disaster loans have topped \$2.1 million for Indiana homeowners, renters, landlords, and businesses affected by the

September 20, 2002 severe storms and tornadoes, according to SBA Disaster Area Director, Michael C. Allen.

Even though the SBA has already approved \$2.1 million in loans, Allen expressed concern that some individuals may think they're not eligible for help because they have insurance. "It doesn't make any difference if you have some insurance or no insurance. You need to complete your SBA application. Chances are very good that you're going to need some extra help. That's what our loan program is all about," Allen said.

Marion County leads the way with approved loans totaling \$640,300. Closely following is Morgan County with \$539,700, Posey County with \$336,200, Monroe County with \$241,000, Madison County with \$205,200, Delaware County with \$128,300, and Knox County with \$29,000. Allen says that more loans, in more counties, will be approved as applications come in for processing.



Disaster Area, Director Michael Allen presents the first checks to Indiana disaster victims in Martinsville, Indiana on October 2<sup>nd</sup>.